

The Influence of Forensic Audit and Professional Skepticism on Fraud Detection: Evidence from BPK Examiners in Papua

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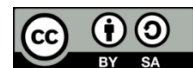
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ABSTRACT

Public asset misappropriation remains a critical fraud risk in Indonesian local governments, particularly in regions where asset recording, ownership documentation, and asset utilization involve complex administrative processes. This study examines the influence of forensic audit and professional skepticism on fraud detection among examiners of the Supreme Audit Institution (BPK) Representative Office of Papua Province. The study employed a quantitative associative design using a cross-sectional survey. Questionnaires were distributed to BPK examiners involved in local government asset audits, and 98 valid responses were analyzed using partial least squares structural equation modeling with SmartPLS 4.0. The measurement model met the validity and reliability criteria, with outer loadings ranging from 0.786 to 0.886, Average Variance Extracted values from 0.693 to 0.748, and composite reliability values from 0.919 to 0.937. The structural model showed that forensic audit had a positive and significant effect on fraud detection ($\beta = 0.346$; $t = 3.534$; $p = 0.001$), while professional skepticism had a stronger positive and significant effect ($\beta = 0.456$; $t = 4.340$; $p < 0.001$). The model explained 52.7% of the variance in fraud detection. These findings indicate that evidence-oriented investigative procedures and a questioning audit mindset jointly strengthen the ability of government external auditors to identify fraud in local government asset management.

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1. INTRODUCTION

Public sector organizations are required to produce reliable information for planning, controlling, accountability, and decision-making. This requirement becomes more important when government institutions manage public resources that are widely distributed across administrative units

and are used to provide public services. In the Indonesian public sector, the quality of information and the effectiveness of supervision are closely related to public accountability because stakeholders rely on audited information to evaluate whether public resources have been managed transparently and responsibly. In this context, fraud detection is not merely a technical audit

activity, but an institutional mechanism for maintaining integrity, reducing public loss, and ensuring that government assets are used for public purposes [1]; [2].

Fraud in government asset management has become a serious issue because assets are often dispersed, mobile, and administratively complex. Asset misappropriation may take the form of unauthorized use of state assets, duplicate recording of assets, control of assets by unauthorized parties, incomplete ownership documentation, and the transfer of assets for personal or group interests. The Association of Certified Fraud Examiners Indonesia (2023) reported that asset misappropriation was the most frequent fraud category in Indonesia, reaching 83.7%, exceeding corruption at 66.9% and financial statement fraud at 32.2%. This evidence shows that asset misuse is not a minor administrative problem, but a systemic fraud risk that requires stronger audit procedures and a more critical audit attitude [3].

The Supreme Audit Institution of Indonesia, or Badan Pemeriksa Keuangan (BPK), has a constitutional mandate to audit the management and accountability of state finances. In regional government, this mandate includes the examination of financial statements and the evaluation of asset management. The role of BPK as a government external auditor is important because audit findings can reveal weaknesses in control, noncompliance with regulations, and irregularities in the use of public resources. In Papua, this role is particularly relevant because asset administration remains vulnerable to weak documentation, insufficient asset safeguarding, and improper asset utilization [4], [5], [6].

The empirical context of Papua illustrates the urgency of this issue. The Semester I 2023 audit summary of BPK identified weaknesses in local government fixed-asset management, including poor recordkeeping, assets controlled by third parties without legal basis, and incomplete ownership documents for land and buildings. In Jayapura City, BPK reported 71 official vehicles whose locations were unknown and

many land and building assets that were uncertified or involved in disputes. Some official vehicles were still controlled by former officials who had retired or been transferred without proper handover procedures. This condition demonstrates that the asset-management problem in Papua is not merely an administrative weakness [7]., but a concrete fraud-risk phenomenon. The existence of official vehicles with unknown locations, assets controlled by unauthorized parties, uncertified land and building assets, and assets still held by former officials indicates potential asset misappropriation that may cause public losses and weaken accountability. Therefore, the Papua context provides an urgent empirical setting for examining how forensic audit and professional skepticism strengthen fraud detection in local government asset management.

Forensic audit offers an important response to this condition because it is designed to investigate and document fraud indications through evidence-oriented procedures. Unlike routine financial audits that emphasize the fairness of financial statements, forensic audits focus on tracing unusual transactions, examining documents in depth, identifying patterns of irregularities, and collecting evidence that may be relevant for legal or disciplinary processes. Tuanakotta [8] explains that forensic audit applies accounting and auditing knowledge for legal proof and is directed toward fraud disclosure and prevention. Crumbley and Stevenson [9] similarly emphasize that forensic audit identifies, analyzes, and communicates fraud evidence in a format that can support legal proceedings.

Professional skepticism is equally important because forensic techniques may not be effective if auditors accept information at face value. Professional skepticism refers to a questioning mind, alertness toward conditions that may indicate misstatement or fraud, and critical evaluation of audit evidence [10], [11]. A skeptical examiner does not immediately accept explanations from the auditee, especially when evidence is weak, inconsistent, or unsupported by

documentation. In asset audits, this attitude is essential because asset misuse may be concealed as administrative error, delayed documentation, or informal asset use that appears reasonable on the surface.

Previous studies support the relevance of forensic audit and professional skepticism in fraud-related audit outcomes. Riadi and Aprilian [12] showed that forensic accounting, investigative auditing, and whistleblowing effectiveness contribute to fraud prevention in the public sector. Solehah and Ramadhani [13] found that forensic audit and investigative audit positively affected fraud disclosure at BPKP Province of Lampung. In relation to auditor behavior, Beka et al. [14] found that professional skepticism influenced public-sector fraud detection, while Yuliana and Dian [15] reported that auditors with higher skepticism were better able to identify fraud indicators, although time pressure may weaken this ability. However, many prior studies focused on corruption, financial statement fraud, or general fraud disclosure rather than the specific problem of local government asset misappropriation examined by BPK external auditors.

Accordingly, this study examines the influence of forensic audit and professional skepticism on fraud detection among BPK examiners in Papua Province. The study contributes to the literature by focusing on government external auditors who are directly involved in asset audits and by placing asset misappropriation as the dominant fraud context. The study also contributes to Fraud Triangle Theory by testing whether evidence-based investigative audit procedures and skeptical examiner behavior can reduce the opportunity for fraud and improve the identification of irregularities in local government asset management [16], [17].

Although previous studies have examined forensic audit, investigative audit, and professional skepticism in relation to fraud disclosure or fraud prevention, most of them focus on corruption, financial statement fraud, internal auditors, or general public-sector fraud. Limited empirical evidence

specifically examines asset misappropriation in local government asset management from the perspective of BPK external auditors. This gap is important because asset fraud involves physical verification, ownership documentation, asset utilization, and control by unauthorized parties, which differ from general financial statement fraud. Therefore, the novelty of this study lies in its focus on forensic audit and professional skepticism in detecting asset misappropriation among BPK examiners in Papua Province. This study aims to examine the effect of forensic audit and professional skepticism on fraud detection among BPK examiners in Papua Province.

2. LITERATURE REVIEW

This study uses Fraud Triangle Theory as the grand theory because the theory explains fraud through three interrelated elements: pressure, opportunity, and rationalization. The theory is relevant to the present study because local government asset misappropriation often occurs when weak asset administration creates opportunity, while perpetrators may rationalize unauthorized asset use as temporary, informal, or administratively acceptable. Forensic audit is linked to the opportunity element because evidence-oriented procedures can reveal irregularities and reduce concealment opportunities. Professional skepticism is linked to rationalization and opportunity because skeptical examiners critically evaluate explanations, question weak evidence, and seek additional proof before accepting auditee claims.

Fraud Triangle Theory explains that fraud occurs when pressure, opportunity, and rationalization interact in a particular organizational context [18]. Pressure refers to personal or organizational conditions that encourage individuals to commit fraud, such as financial needs, position-related demands, or other burdens that cannot be resolved through legitimate means. Opportunity refers to weaknesses in supervision or control that allow fraud to be committed without immediate detection [19]. Rationalization

refers to the process through which perpetrators justify their fraudulent actions as acceptable, temporary, or deserved [19].

In local government asset management, opportunity is particularly important because assets may be recorded inaccurately, controlled by unauthorized parties, or used without complete documentation. Abdullahi and Mansor [20] argued that Fraud Triangle Theory is relevant for public-sector fraud because pressure and weak supervision often create conditions that allow fraud to occur. Wells [16] also noted that asset misappropriation often begins from small opportunities caused by weak supervision. Therefore, an audit system that can reduce opportunity and challenge rationalization becomes essential for preventing and detecting asset-related fraud.

2.1 Fraud Detection

Fraud detection refers to the processes and techniques used to identify indications of fraud that have occurred, are occurring, or may potentially occur. In the context of this study, fraud detection focuses on asset misappropriation in local government. Asset misappropriation involves the theft or misuse of organizational assets for personal benefit, including unauthorized control of assets, inappropriate use of official vehicles, and asset records that do not reflect actual conditions [21], [22].

Fraud detection in government asset audits requires more than document matching because asset misuse can be hidden behind incomplete records, weak handover procedures, and informal control over assets. Singleton and Singleton [23] emphasized that fraud prevention and detection can be strengthened through internal policies, ethics training, and audit systems that emphasize accountability. In a BPK audit setting, fraud detection depends on the examiner's ability to trace unusual transactions, identify inconsistencies between documents and physical assets, and evaluate whether asset utilization complies with regulations.

2.2 Forensic Audit and Fraud detection

Forensic audit is a specialized audit approach that applies accounting, auditing, and investigative knowledge to uncover fraud and support legal proof [8]. It differs from a regular audit because it is not limited to expressing an opinion on financial statement fairness. Instead, forensic audit emphasizes tracing irregularities, testing documents, interviewing relevant parties, analyzing patterns of transactions, and preparing evidence for further action. Bologna and Lindquist [24] suggested that forensic audit is effective because it combines auditing expertise, legal knowledge, and understanding of human behavior.

The relationship between forensic audit and fraud detection has been supported by several empirical studies. Kuntadi and Aviana [25] found that forensic audit, internal audit, and external audit influenced efforts to eradicate corruption. Suci and Kuntadi [26] showed that forensic accounting, whistleblowing, and individual morality influenced fraud prevention. Solehah and Ramadhani [13] found that forensic audit and investigative audit had positive effects on fraud disclosure. Although Su'un and Abduh [27] reported that forensic accounting did not have a positive and significant effect on fraud disclosure in the inventory cycle, the broader evidence indicates that forensic-based audit procedures are important when fraud is complex and evidence must be examined in depth.

In local government asset audits, forensic audit may improve fraud detection by increasing the examiner's ability to trace asset transactions, evaluate physical and documentary evidence, and identify patterns that indicate unauthorized asset control. If opportunity is a central element in fraud occurrence, forensic audit can reduce opportunity by making irregularities more visible and more difficult to conceal. Based on this reasoning, the first hypothesis is formulated as follows:

H1: Forensic audit has a positive effect on fraud detection.

2.3 Professional Skepticism and fraud detection

Professional skepticism is an auditor's mental attitude characterized by questioning, critical evaluation, and alertness to conditions that may indicate misstatement or fraud. Hurtt [10] identified several elements of skepticism, including a questioning mind, suspension of judgment, search for knowledge, interpersonal understanding, self-confidence, and self-determination. Nelson [11] argued that professional skepticism is important because it drives auditors to go beyond surface-level evidence and to investigate further when irregularities appear.

In the public-sector audit environment, professional skepticism is important because explanations from auditees may appear reasonable even when they conceal asset misuse. A skeptical examiner remains cautious when documents are incomplete, when asset records differ from physical conditions, or when assets are explained as temporarily held by certain parties. Prasetya and Putra [28] emphasized that professional skepticism requires auditors to question and verify evidence rather than accepting information without adequate support. Budiantoro et al. [29] also showed that professional skepticism

significantly improves auditors' ability to detect fraud.

Empirical studies support the effect of professional skepticism on fraud detection and disclosure. Ikhtiari and Nurfadila [30] found that professional skepticism and investigative audit positively and significantly influenced fraud disclosure. Pamungkas [31] reported that investigative audit and professional skepticism positively influenced fraud disclosure, although forensic accounting and independence did not show significant effects. Noch et al. [32] found that professional skepticism strengthened the relationship between competence, independence, and fraud detection. Akbar et al. [33] found that professional skepticism positively affected fraud detection, while workload had a negative effect.

These studies imply that skeptical examiners are more likely to evaluate evidence critically, request additional information, and identify hidden irregularities. In local government asset audits, professional skepticism may help examiners distinguish between mere administrative weakness and intentional asset misuse. Based on this theoretical and empirical foundation, the second hypothesis is formulated as follows:

H2: Examiner professional skepticism has a positive effect on fraud detection.

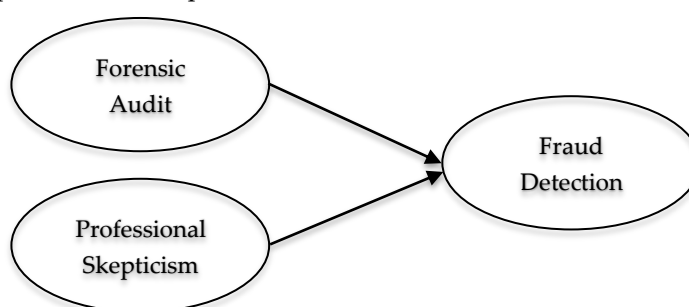


Figure 1. Research framework

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3. METHODS

This study used a quantitative associative design to examine the influence of

forensic audit and professional skepticism on fraud detection. The associative design was selected because the study sought to explain the relationship between independent

variables and the dependent variable through hypothesis testing. The study also used a cross-sectional survey because data were collected once during the research period from examiners who worked at BPK Representative Office of Papua Province.

The quantitative approach was used because the study tested causal relationships among measurable variables using numerical data obtained from questionnaire responses. The associative design was appropriate because the study aimed to examine whether forensic audit and professional skepticism statistically influence fraud detection. The data collection technique was conducted through an online structured questionnaire distributed to BPK examiners who met the sampling criteria. The questionnaire used closed-ended statements measured with a five-point Likert scale.

The population consisted of 110 BPK examiners involved in financial statement audits and local government asset-management audits. The sample was determined using a non-probability purposive sampling technique with a total sampling approach. The criteria required respondents to have at least one year of work experience and to have been involved in audits related to local government asset management. Of the distributed questionnaires, 98 were returned completely and could be processed. Therefore, the final sample consisted of 98 examiners.

Primary data were collected through an online questionnaire using a five-point Likert scale, ranging from 1 = strongly disagree to 5 = strongly agree. Secondary data were obtained from institutional documents, audit standards, regulations concerning local government asset management, books, journal articles, and prior studies relevant to forensic audit, professional skepticism, and fraud detection. The questionnaire items were adapted from prior studies and adjusted to the context of local government asset audits.

Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS version 4.0. Before the structural model was tested, the measurement model was evaluated to ensure indicator validity and construct reliability. Convergent validity was assessed using outer loading and Average Variance Extracted (AVE). Discriminant validity was assessed using the Heterotrait-Monotrait Ratio (HTMT). Construct reliability was evaluated using Cronbach's Alpha, Composite Reliability (ρ_a), and Composite Reliability (ρ_c).

The structural model was evaluated using R-square, Adjusted R-square, effect size (f-square), and path coefficient significance. Hypothesis testing was conducted using the bootstrapping procedure to obtain original sample coefficients, t-statistics, and p-values. A hypothesis was accepted when the p-value was below 0.05 or the t-statistic exceeded 1.96 at a 5% significance level.

Table 1. Operational Definition of Research Variables

Variable	Definition	Indicators	Source
Forensic Audit	An audit process focused on proving and disclosing fraud through investigative techniques, transaction analysis, and legally relevant evidence collection.	Unusual transaction tracing; in-depth document examination; asset-irregularity pattern analysis; fraud-evidence collection and documentation; investigative reporting.	Riadi & Aprilian (2024)
Professional Skepticism	An examiner's mental attitude of questioning, critical assessment, alertness to inconsistencies, and seeking additional evidence before drawing conclusions.	Curiosity about suspicious information; doubt toward weak evidence; alertness to data inconsistencies; additional information seeking; critical evidence evaluation.	Yuliana & Dian (2024)
Fraud Detection	The examiner's ability to find, identify, and disclose fraud indications in local government asset management through	Finding fraud indications; identifying unusual transactions; finding document discrepancies;	ACFE (2023)

Variable	Definition	Indicators	Source
	audit procedures and evidence evaluation.	asset-examination accuracy; detecting asset-management irregularities.	

Source: Created by author (2026)

4. RESULTS AND DISCUSSION

4.1 Results

a. Respondent characteristics

The study involved 98 BPK examiners whose responses were complete and valid for analysis. In terms of gender, 88 respondents, or 90%, were male, while 10 respondents, or 10%, were female. In terms of work experience, 42 respondents, or 43%, had worked for at least three years, while 56 respondents, or 57%, had worked between three and five years. This indicates that most respondents had adequate exposure to audit work and were familiar with the examination environment.

With respect to age, 78 respondents, or 79.6%, were between 20 and 30 years old, while 20 respondents, or 20.4%, were between 31 and 40 years old. In terms of education, 71 respondents, or 72.4%, had bachelor's degrees, 25 respondents, or 25.5%, had Diploma IV qualifications, and 2 respondents, or 2.1%, had master's degrees. All respondents, or 100%, held the position of examiner at the BPK Representative Office of Papua Province. This profile indicates that the data were obtained from respondents who were directly involved in auditing and supervising local government financial management and assets.

Table 2. Respondent profile

Characteristic	Category	N	%
Gender	Male	88	90.0
Gender	Female	10	10.0
Work experience	≥ 3 years	42	43.0
Work experience	≥ 3–5 years	56	57.0
Age	20–30 years	78	79.6
Age	31–40 years	20	20.4
Education	S1	71	72.4
Education	D-IV	25	25.5
Education	S2	2	2.1
Position	Examiner	98	100.0

Source: Created by author (2026)

b. Descriptive statistics

The mean values above 3.50 indicate that respondents generally agreed with the statements measuring forensic audit, professional skepticism, and fraud detection. A median value of 4.000 shows that the central tendency of responses was located in the 'agree' category, meaning that agreement was the dominant response pattern. The standard deviation values,

ranging from 0.998 to 1.160, indicate moderate dispersion, suggesting that although respondents generally agreed, their perceptions were not completely uniform. Therefore, the descriptive results show that BPK examiners tend to perceive forensic audit practices, skeptical behavior, and fraud-detection capability as being present at a relatively high level.

Forensic audit had item means ranging from 3.663 to 3.929, with the highest mean on X1.1 and the lowest on X1.2. All forensic audit indicators had a median of 4.000, showing that agreement was the dominant response.

Professional skepticism had item means ranging from 3.551 to 3.776, with the highest mean on X2.1 and the lowest on X2.2. Fraud

detection had item means ranging from 3.633 to 3.796, with the highest mean on Y5 and the lowest on Y1. The standard deviations ranged from 0.998 to 1.160 across all items, indicating moderate and acceptable response variation. The minimum and maximum values also show that the response scale was fully used by respondents.

Table 3. Descriptive Statistics of Questionnaire Items

Construct	Item	Mean range / Mean	Median	SD range / SD
Forensic Audit	X1.1–X1.5	3.663–3.929	4.000	1.007–1.160
Professional Skepticism	X2.1–X2.5	3.551–3.776	4.000	1.018–1.156
Fraud Detection	Y1–Y5	3.633–3.796	4.000	0.998–1.146

Source: Created by author (2026)

c. Measurement model evaluation

The measurement model was assessed using convergent validity, discriminant validity, and reliability. The outer loading values for forensic audit ranged from 0.824 to 0.861. The outer loading values for professional skepticism ranged from 0.845 to 0.886. The outer loading values for fraud detection ranged from 0.786 to 0.862. Because all values exceeded the minimum threshold of 0.70, all indicators were retained in the model.

The AVE values also met the convergent validity criterion.

Forensic audit had an AVE of 0.709, professional skepticism had an AVE of 0.748, and fraud detection had an AVE of 0.693. These values indicate that each construct explained more than half of the variance of its indicators. Reliability was also adequate, as Cronbach's Alpha values ranged from 0.889 to 0.916, rho_a values ranged from 0.896 to 0.920, and rho_c values ranged from 0.919 to 0.937. These results indicate that all constructs had strong internal consistency.

Table 4. Convergent validity and reliability

Construct	Outer loading range	AVE	Cronbach's Alpha	rho_a	rho_c
Forensic Audit	0.824–0.861	0.709	0.898	0.902	0.924
Professional Skepticism	0.845–0.886	0.748	0.916	0.920	0.937
Fraud Detection	0.786–0.862	0.693	0.889	0.896	0.919

Source: Created by author (2026)

Discriminant validity was evaluated using HTMT. The HTMT value between forensic audit and professional skepticism was 0.690. The HTMT value between forensic audit and fraud detection was 0.694,

while the HTMT value between professional skepticism and fraud detection was 0.739. All values were below 0.90, showing that the constructs were empirically distinct and did not overlap excessively.

Table 5. Discriminant validity using HTMT

Construct relationship	HTMT
Forensic Audit – Professional Skepticism	0.690

Construct relationship	HTMT
Forensic Audit – Fraud Detection	0.694
Professional Skepticism – Fraud Detection	0.739

Source: Created by author (2026)

d. Structural model and hypothesis testing

The structural model showed that forensic audit and professional skepticism jointly explained 52.7% of the variance in fraud detection, as indicated by an R-square value of 0.527. The Adjusted R-square value was 0.517, indicating that the explanatory power remained stable after adjustment for the number of predictors. The remaining 47.3% of the variance in fraud detection was

explained by variables outside the model.

The f-square results indicated that both independent variables had meaningful effect sizes. Forensic audit had an f-square value of 0.154, while professional skepticism had an f-square value of 0.267. These values indicate medium effects, with professional skepticism showing a stronger contribution to fraud detection than forensic audit.

Table 6. R-square and effect size

Endogenous construct / Predictor	R-square	Adjusted R-square	f-square
Fraud Detection	0.527	0.517	-
Forensic Audit → Fraud Detection	-	-	0.154
Professional Skepticism → Fraud Detection	-	-	0.267

Source: Created by author (2026)

Hypothesis testing showed that both hypotheses were supported. The path from forensic audit to fraud detection had an original sample coefficient of 0.346, a t-statistic of 3.534, and a p-value of 0.001. Therefore, H1 was accepted. The path from professional skepticism to fraud detection had an original sample

coefficient of 0.456, a t-statistic of 4.340, and a p-value of 0.000. Therefore, H2 was accepted. The positive coefficients indicate that higher forensic audit implementation and higher professional skepticism are associated with stronger fraud detection.

Table 7. Hypothesis testing

Path	Original Sample	Sample Mean	STDEV	t-statistic	P-value	Decision
Forensic Audit → Fraud Detection	0.346	0.356	0.098	3.534	0.001	Supported
Professional Skepticism → Fraud Detection	0.456	0.454	0.105	4.340	0.000	Supported

Source: Created by author (2026)

4.2 Discussion

a. Influence of forensic audit on fraud detection

The first hypothesis test showed that forensic audit had a positive and significant effect on fraud detection. This result indicates

that improvements in forensic audit practices increase the ability of BPK examiners to identify fraud indications in local government asset management. The finding is theoretically reasonable because forensic audit emphasizes deeper

procedures than routine audit activities. Examiners do not only check whether asset documents exist, but also trace transaction flows, evaluate the reasonableness of asset use, compare asset records with physical conditions, and collect additional evidence when irregularities appear.

This result supports Fraud Triangle Theory, especially the opportunity element. When investigative audit procedures are strengthened, the opportunity for perpetrators to exploit weak asset administration becomes narrower. In the asset-management context, opportunity may arise from unclear ownership documents, weak handover procedures, or assets controlled by unauthorized parties. Forensic audit procedures make these weaknesses more visible and therefore improve detection. This result is consistent with Tuanakotta [8], Crumbley and Stevenson [9], and Wells [16], who argued that evidence-oriented and investigative audit procedures are important in identifying fraud risks.

The result also supports previous empirical studies. Solehah and Ramadhani (2025) found that forensic audit and investigative audit positively affected fraud disclosure. Suci and Kuntadi (2023) showed that forensic accounting contributed to fraud prevention, while Kuntadi and Aviana (2022) showed that forensic audit, internal audit, and external audit influenced corruption eradication. The present study extends this evidence by showing that forensic audit also matters in the specific context of BPK examiners who audit local government assets in Papua. Thus, forensic audit should be strengthened not only as an ex-post investigative procedure, but also as a routine capability in asset-audit planning and execution.

b. Influence of professional skepticism on fraud detection

The second hypothesis test showed that professional skepticism had a positive and significant effect on fraud detection. The coefficient of professional skepticism was also higher than the coefficient of forensic audit, indicating that examiner attitude played a stronger role in explaining fraud detection. This finding suggests that even when audit techniques are available, their effectiveness depends greatly on whether examiners maintain a questioning mind and critically evaluate evidence.

This result is consistent with the professional skepticism literature. Hurtt [10] emphasized that professional skepticism includes a questioning mind, knowledge seeking, and caution in judgment. Nelson [11] argued that skepticism enables auditors to investigate beyond surface-level evidence when inconsistencies arise. In the context of BPK asset audits, skepticism is important because asset irregularities may be explained as administrative errors, temporary use, or incomplete documentation. A skeptical examiner is more likely to request clarification, compare data with field evidence, and identify whether explanations are supported by adequate documentation.

The result also corroborates Beka et al. [14], Ikhtiari and Nurfadila [30], Pamungkas [31], Noch et al. [32], and Akbar et al. [33], who found that professional skepticism improved fraud detection or fraud disclosure. The present finding shows that professional skepticism is not only relevant for general fraud detection, but also critical for detecting asset misappropriation in the local government environment. This is important because asset misuse often involves informal practices and

justification narratives that may appear acceptable unless the examiner critically evaluates them.

The stronger effect of professional skepticism compared with forensic audit implies that audit methods and audit mindset must operate together. Forensic audit provides the procedural tools for tracing and documenting irregularities, but professional skepticism determines whether examiners use those tools critically and persistently. Therefore, BPK should develop professional skepticism through fraud case-based training, ethical reinforcement, supervisory review, and audit simulations that expose examiners to ambiguous evidence and conflicting explanations.

c. Implications

Theoretically, the findings strengthen Fraud Triangle Theory by showing that audit procedures and auditor behavior can reduce fraud opportunity and challenge rationalization. Forensic audit narrows opportunity by improving evidence collection and transaction tracing, while professional skepticism helps examiners question explanations that may be used to rationalize asset misuse. The results therefore show that fraud detection is shaped by both technical and behavioral dimensions of auditing.

Practically, the findings suggest that BPK Representative Office of Papua Province should strengthen forensic audit implementation in asset examinations. This may include more systematic asset tracing, better documentation of physical verification, stronger analysis of asset-utilization patterns, and improved coordination when evidence indicates possible misuse. In addition, examiner skepticism should be developed continuously because

the ability to question, verify, and evaluate evidence critically has a stronger contribution to fraud detection than audit technique alone.

5. CONCLUSION

This study examined the influence of forensic audit and professional skepticism on fraud detection among BPK examiners in Papua Province. Using 98 valid questionnaire responses and PLS-SEM analysis, the study found that forensic audit had a positive and significant effect on fraud detection. This indicates that deeper investigative procedures, transaction tracing, document examination, and evidence documentation improve examiners' ability to identify irregularities in local government asset management. The study also found that professional skepticism had a stronger positive and significant effect on fraud detection. This means that examiners who question evidence, remain alert to inconsistencies, and seek additional information are better able to detect fraud indications.

The model explained 52.7% of the variance in fraud detection, showing that forensic audit and professional skepticism jointly provide a meaningful explanation of fraud-detection capability. The findings contribute to the public-sector audit literature by focusing on asset misappropriation and by using evidence from BPK external auditors in Papua. The results also support Fraud Triangle Theory by showing that opportunity can be reduced through investigative audit procedures and that rationalization can be challenged through skeptical audit behavior.

This study has several limitations. First, the study used a cross-sectional survey design, so it captures examiner perceptions at one point in time and cannot fully explain changes in fraud-detection capability over time. Second, the data were obtained through self-reported questionnaires, which may be influenced by respondent perception and social desirability bias. Third, the study focused only on BPK examiners in Papua Province, so the findings may not be fully

generalizable to other regions or audit institutions. Future researchers are encouraged to include additional variables such as audit experience, workload, time pressure, auditor competence, digital audit technology, and organizational support.

Future studies may also use interviews, case studies, or mixed methods to obtain deeper evidence on how forensic audit and professional skepticism operate in actual asset-fraud detection.

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